



# Green Real Estate Investment Plan

**A plan to capture the market value of  
green homes and spur investment**

This initiative is funded by California utility customers and administered by Pacific Gas and Electric Company (PG&E) under the auspices of the California Public Utilities Commission.





# Introducing Build It Green

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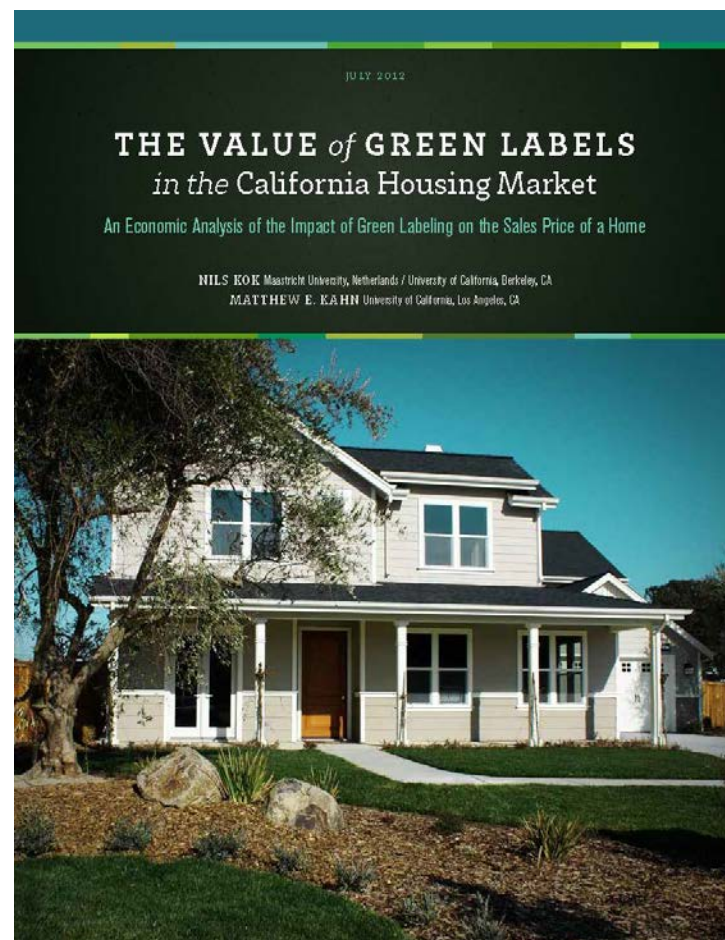
**Non-profit with mission to help professionals  
adopt green practices and grow the market for  
efficient, healthy homes**



# The Opportunity

## Green investments add market value to homes

- Economic analysis of 1.6 million homes sold in CA, 2007-2012
- Homes with green label showed 6% price premium



# Green Home Valuation Studies

- **Gerardo:**

- Before: \$420k / After: \$460k
- Energy savings \$1,963/yr, add 9% to value



The Brown Home

- **Kienzle**

- Before: \$720k / After: \$765k
- Energy savings \$2,237/yr, add 6% to value



The Gerardo house

- **Brown**

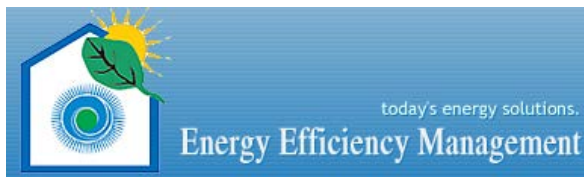
- Before: \$475k / After: \$500k
- Energy savings \$1,600/yr, add 5.5% to value



The Kienzle house

# “The American Green Home©” Sales

- **Investor flip in Walnut, CA**
  - \$21k in green upgrades
  - Certified GreenPoint Rated Elements
  - Sold for 11% over market value, only 5 days on MLS
- **Owner sale in Claremont, CA**
  - \$26k in green upgrades
  - Certified GreenPoint Rated Whole House
  - Sold for 8% over market value



Photos copyright Energy Efficiency Management, Inc.





# Investment Plan Goals:

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- 1. Create new green building value stream worth \$1.2 billion / year in CA**
- 2. Create new Non-Energy Benefit to spur public and private investment in residential energy efficiency**



## **Capturing Energy Efficiency in Residential Real Estate Transactions**

Steps That Energy Efficiency Programs Can Take

NOVEMBER 2015

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U.S. DEPARTMENT OF  
**ENERGY**

# Why Should Realtors Care?

## Realtor

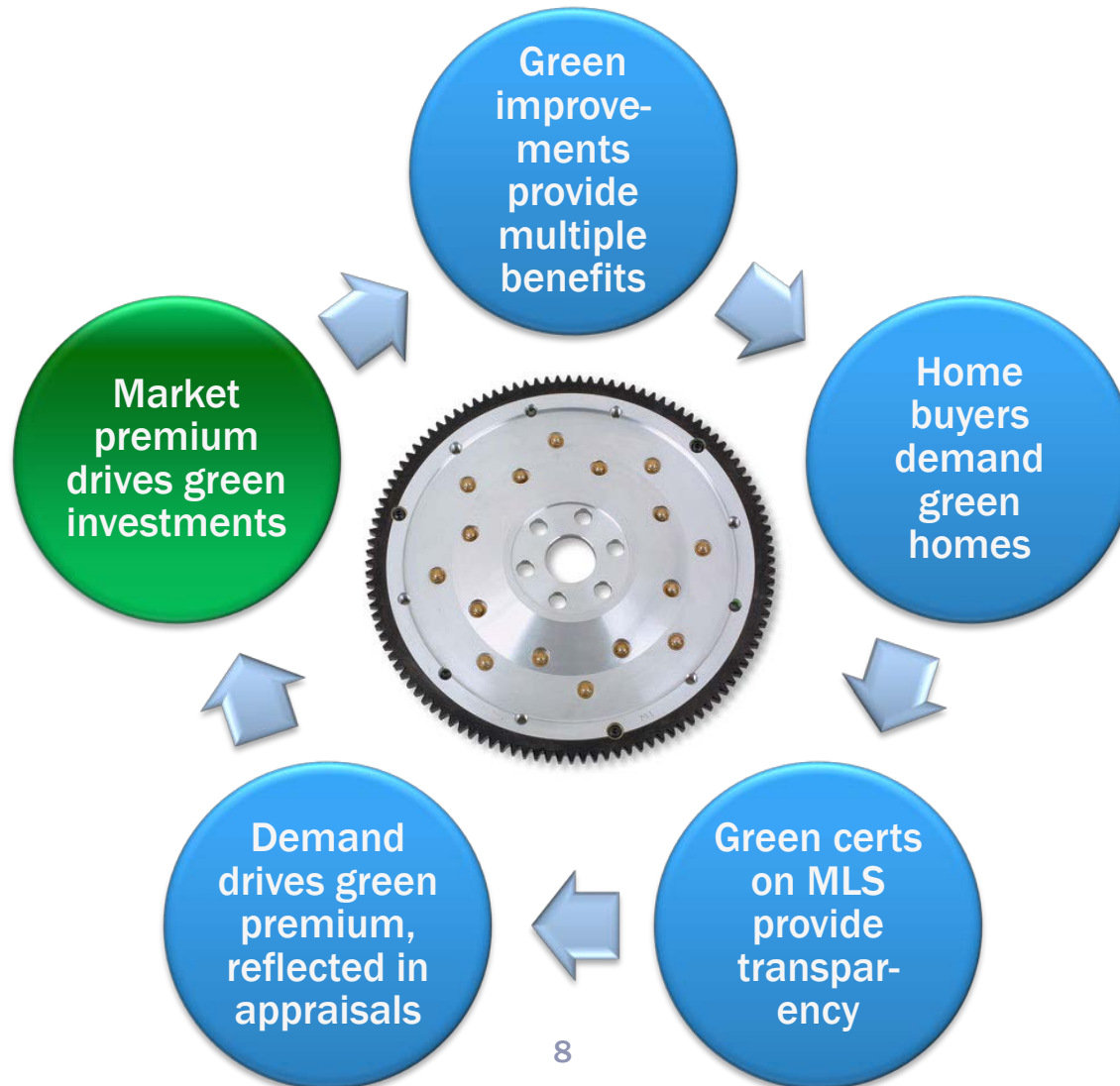
- Happier clients
- More referrals
- Faster sales
- Higher sale prices



## Home owner

- Greater comfort
  - Healthier
  - Lower bills
- Add resale value

# Building a Virtuous Cycle





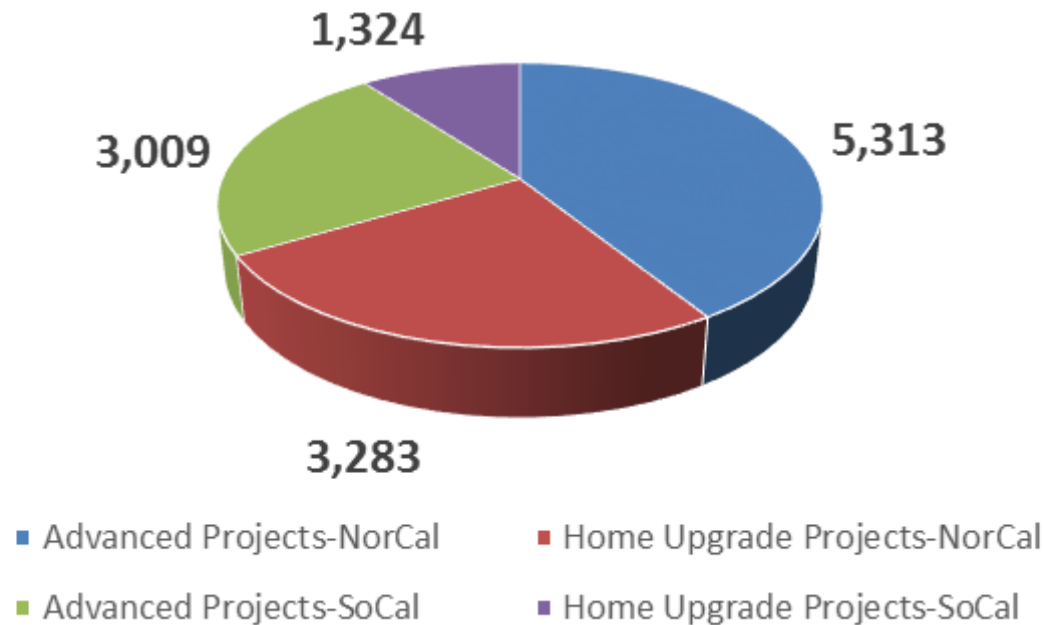
# Public Investments to Drive Virtuous Cycle



# 1. Document Green Improvements

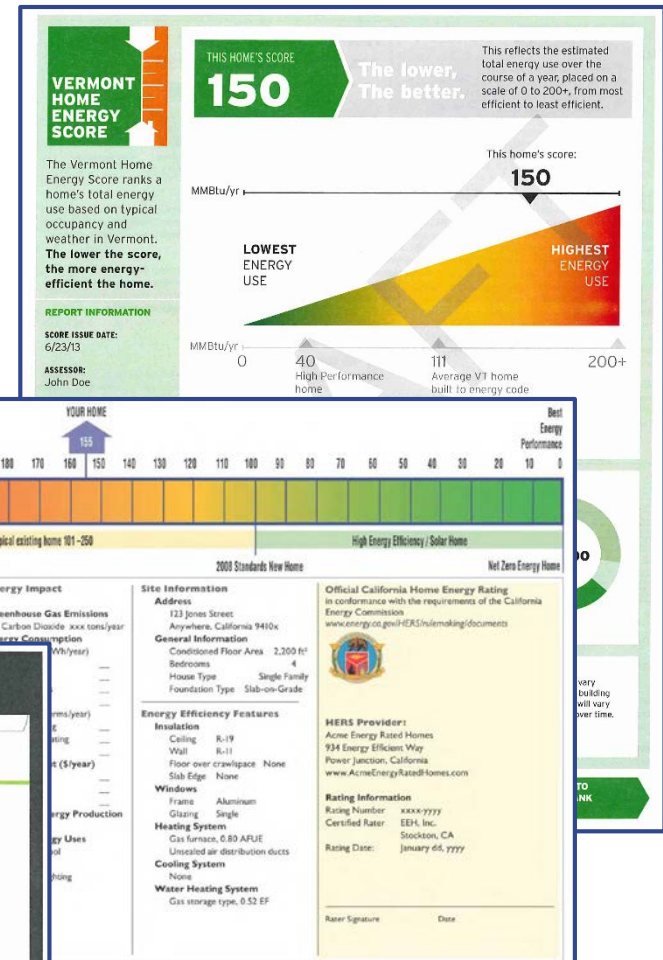
~13,000 upgrades, but how many documented?

Completed Home Upgrade Projects,  
2013-2015



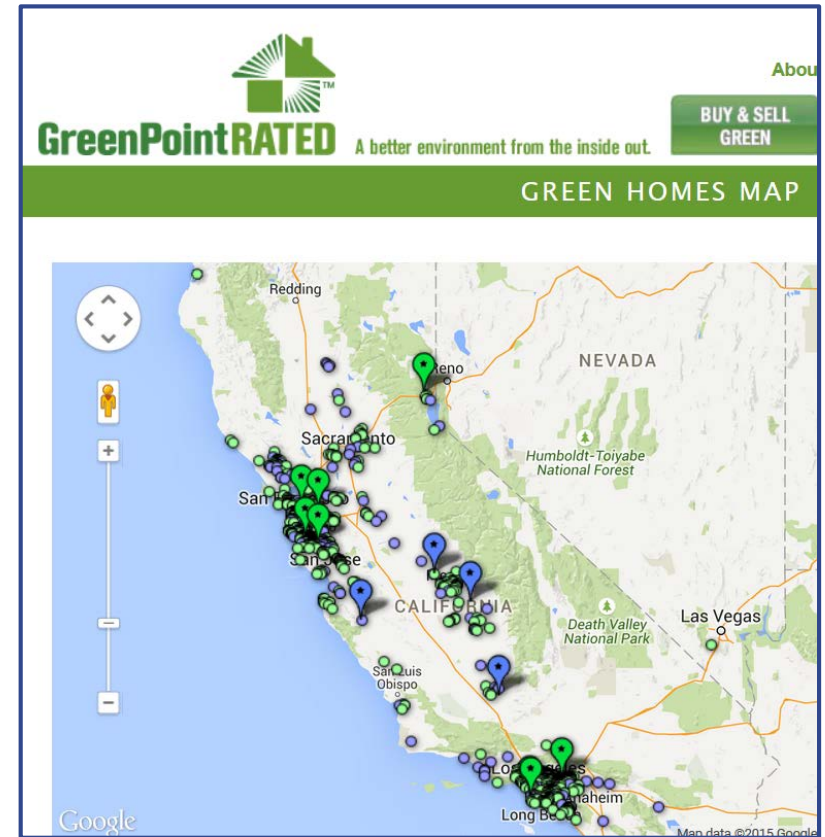
# 1. Document Green Improvements

- Train home inspectors & contractors to deliver Home Energy Scores
- Label homes from PACE, HUP, etc.



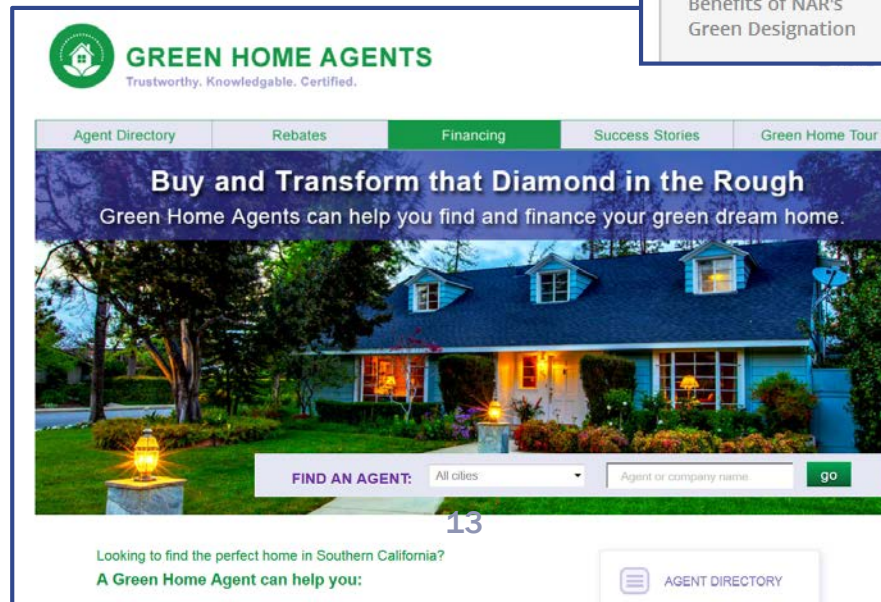
# 1. Document Green Improvements (cont.)

- Green home inventories specific to MLS areas



## 2. Stimulate Buyer Demand

- Expand NAR training
- Expand Directory of Green Realtors
- Home buyer marketing campaign

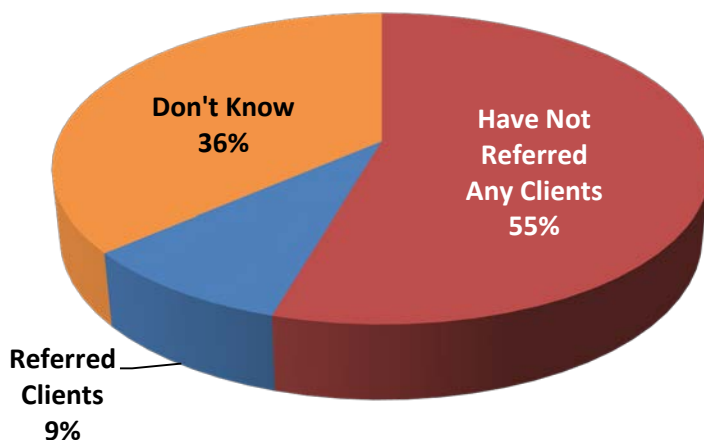




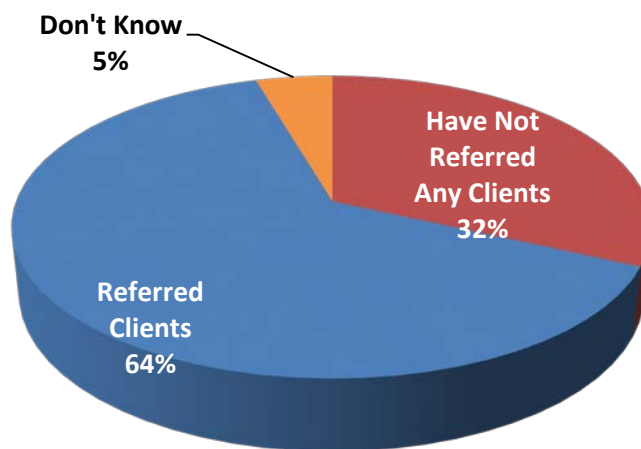
## 2. Stimulate Buyer Demand: 2014-2015 Results

### ■ Trained 600+ NAR Green Designation Realtors

**Client referrals to Energy Upgrade California Prior to training**

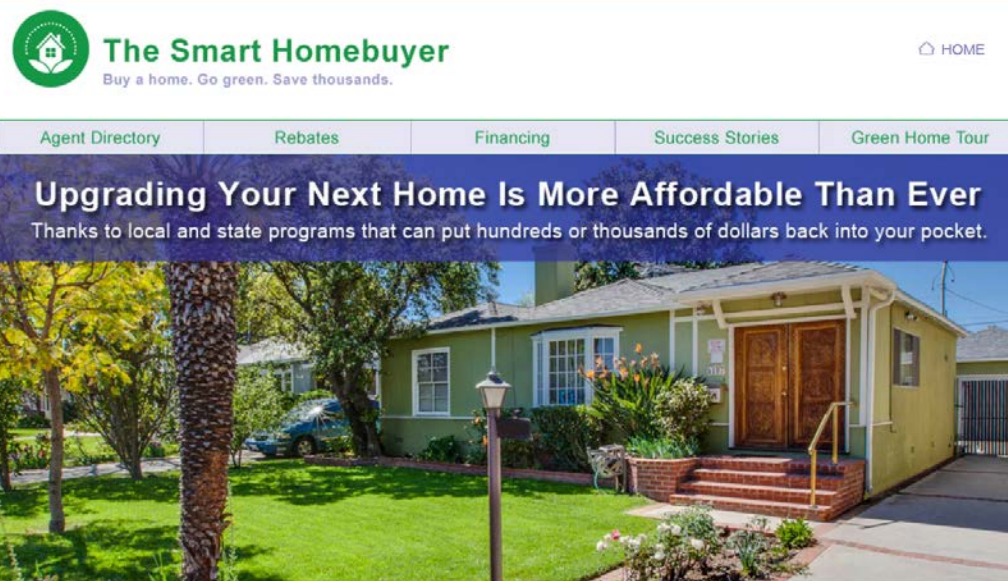


**Client referrals to Energy Upgrade California after training**



## 2. Stimulate Buyer Demand: 2014-2015 Results

- 155,397 page views at [www.smart-homebuyer.com](http://www.smart-homebuyer.com)
- 657 Homebuyer resources downloaded
- 78 homebuyer leads to a certified Realtor
- 2.3 clients / Realtor pursued green upgrades



### Generous Rebates Are Available Now

Take advantage of programs from your utility or local government.  
Talk to a Green-Certified Agent to chart a smart path forward.

### Get Your FREE List of Rebates

We'll send you a list of rebates available in the city  
where you're house hunting.

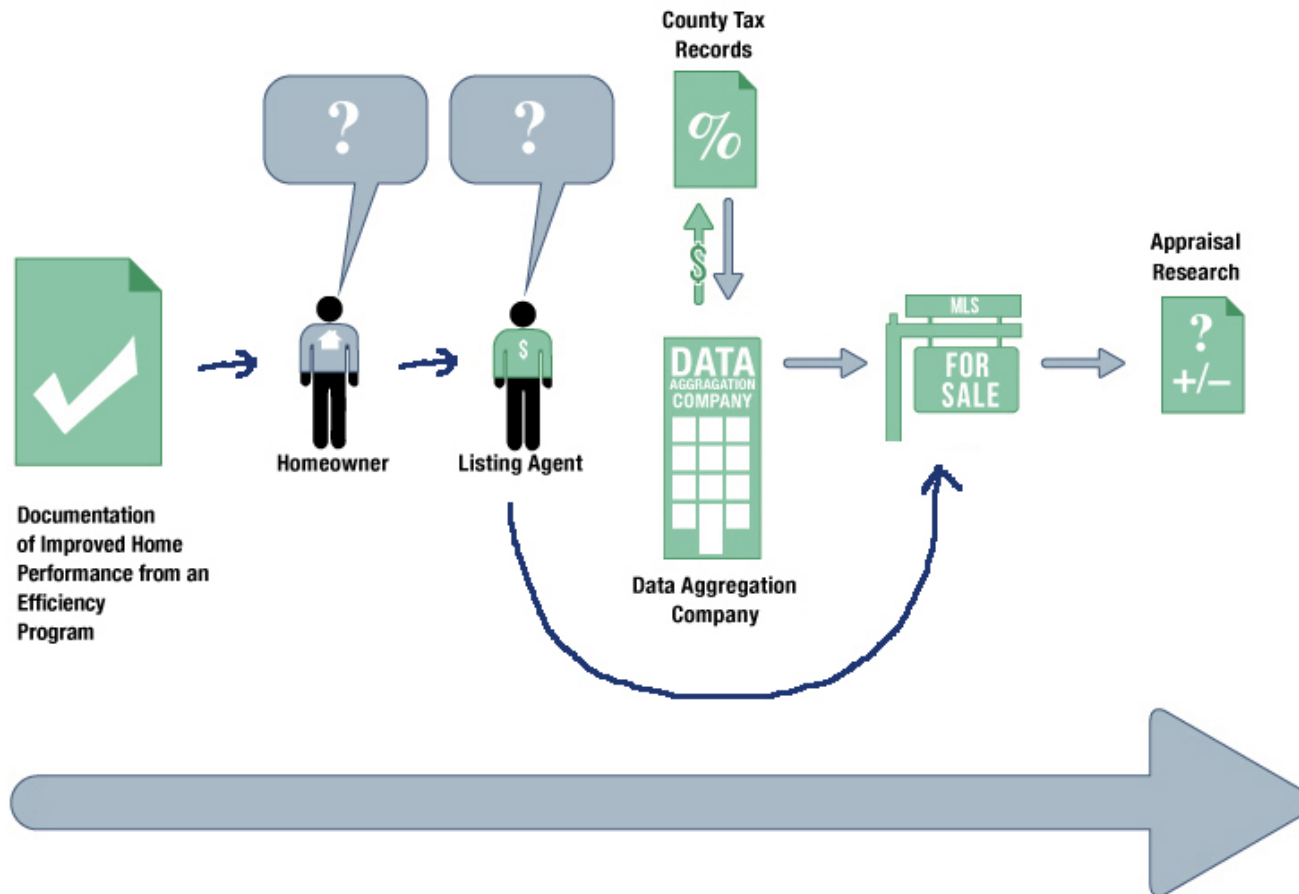
# 3. Add green fields to MLS

## ■ Train Realtors, track usage

Green Features		
Certification		
NOTE: It is highly recommended that any representation of certification be accompanied by an upload of the certification documents into the Supplements for this listing. Supplements may be uploaded along with photos after the initial listing input is completed. If you select a Building Certification the Certifying Organization, Rating and Year Certified will be required. If you do not see a specific Certification in this list, please contact Customer Service with the name and contact information for the Certification you would like added.		
<b>Building Certification</b>		
<input type="checkbox"/> LEED for Homes	<input type="checkbox"/> National Green Building Standard (NGBS)	<input type="checkbox"/> Living Building Challenge
<input type="checkbox"/> LEED for Neighborhood Development	<input type="checkbox"/> NAHB Model Green Home Building Guidelines (GBG)	<input type="checkbox"/> EPA Water Sense
<input type="checkbox"/> Energy Star	<input type="checkbox"/> GreenPoint Rated (Build It Green)	<input type="checkbox"/> EPA Indoor airPLUS
<input type="checkbox"/> Home Energy Rating Service (HERS)	<input type="checkbox"/> California Green Builder	<input type="checkbox"/> Energy Performance Score (EPS)
<input type="checkbox"/> Home Energy Rating Service (HERS) Phase II	<input type="checkbox"/> Enterprise Green Communities	
<b>**Certifying Organization</b>		
<b>**Certification Rating/Score</b>		<b>**Year Certified</b>
Marketing Features		
The following features are designed to speak to the laymen who may be less knowledgeable about the specific features described in our regular feature fields. i.e. TVA Insulation Package versus Energy Efficient Insulation. Any use of these fields should accompany documentation or information when questioned by a potential buyer.		
<b>Energy Efficient</b> <input type="checkbox"/> Appliances <input type="checkbox"/> Construction <input type="checkbox"/> Doors <input type="checkbox"/> Electrical/Lighting <input type="checkbox"/> Exposure/Shade <input type="checkbox"/> HVAC <input type="checkbox"/> Incentives & Other <input type="checkbox"/> Insulation <input type="checkbox"/> Roofing <input type="checkbox"/> Thermostat/Controllers <input type="checkbox"/> Water Heater <input type="checkbox"/> Windows  <b>Water Conservation</b> <input type="checkbox"/> Landscaping <input type="checkbox"/> Flow Control <input type="checkbox"/> Reclamation	<b>Energy Generation</b> <input type="checkbox"/> Solar <input type="checkbox"/> Wind <input type="checkbox"/> Geothermal  <b>WalkScore:</b> ( <a href="http://www.WalkScore.com">http://www.WalkScore.com</a> )	<b>Sustainability (Constructed with)</b> <input type="checkbox"/> Recycled Materials <input type="checkbox"/> Renewable Materials <input type="checkbox"/> Biodegradable Materials <input type="checkbox"/> Conserving Materials/Methods

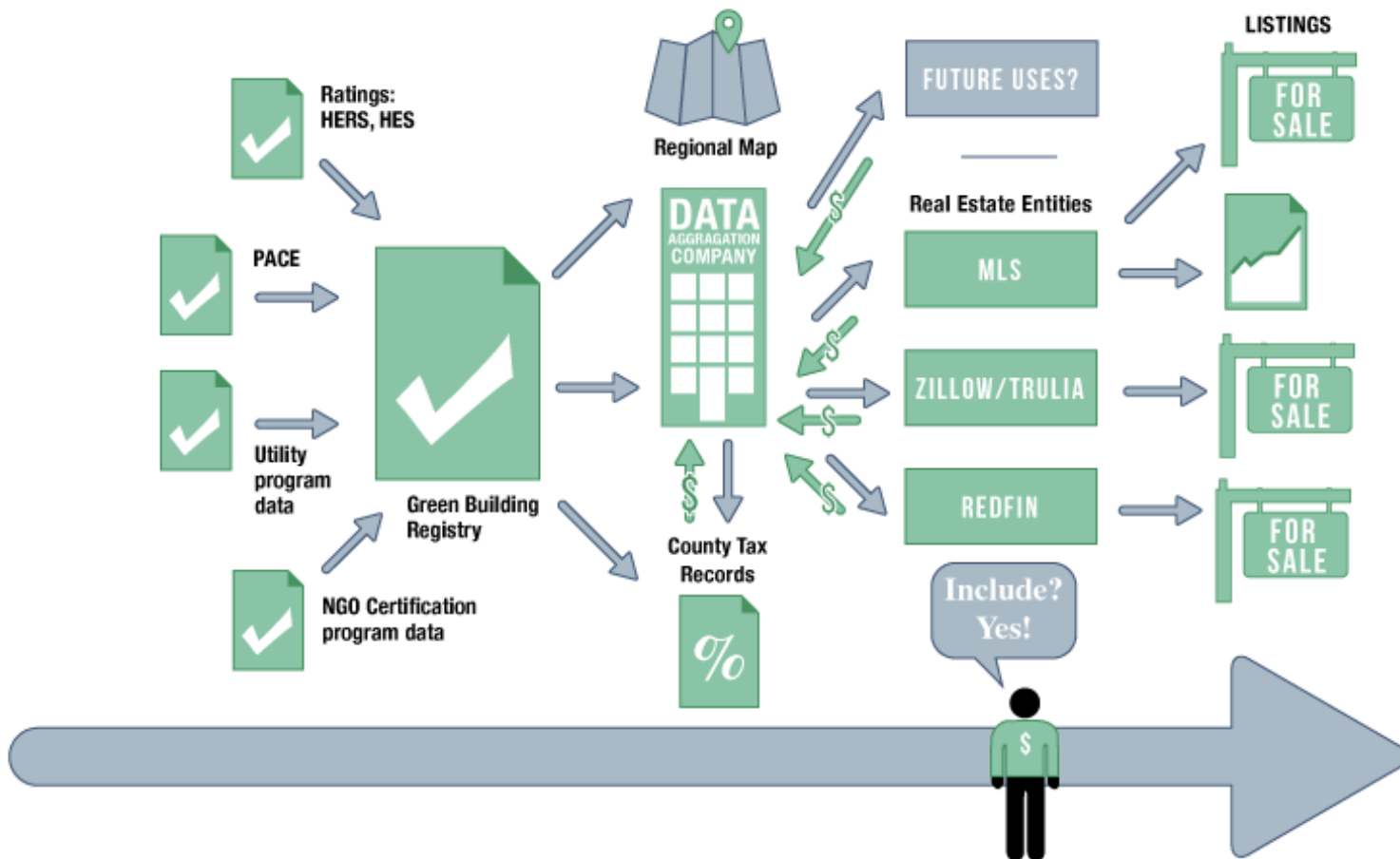
### 3. Add green building data to MLS

How green building data gets into the MLS today...



# 3. Add green building data to MLS

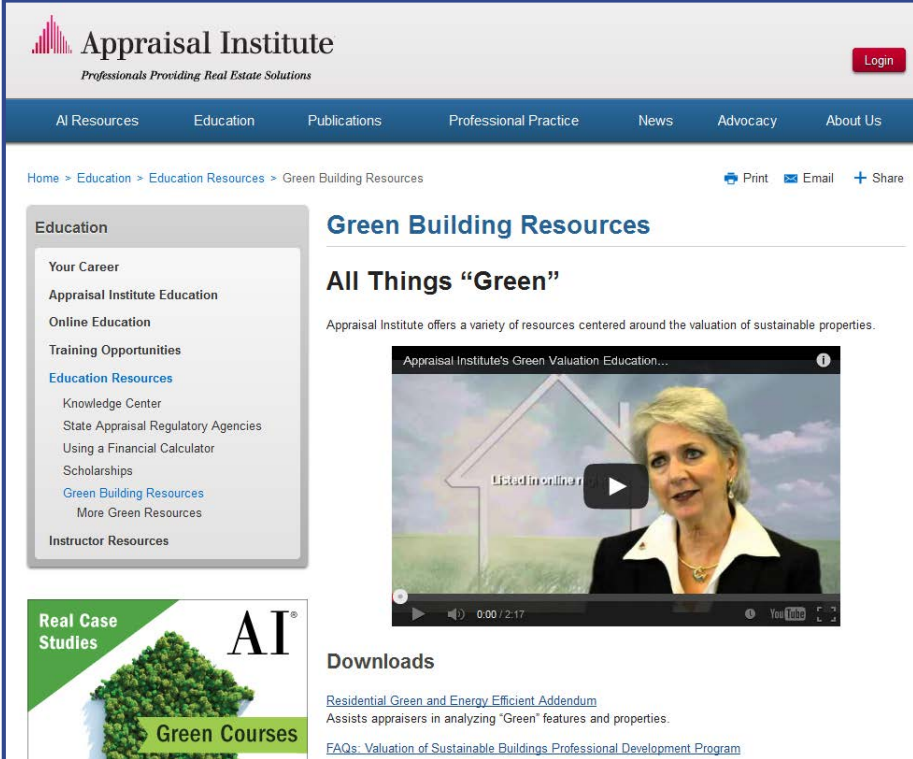
How it should be...





## 4. Build green home sales capacity


- Green sales training for listing agents
- Appraiser & lender training



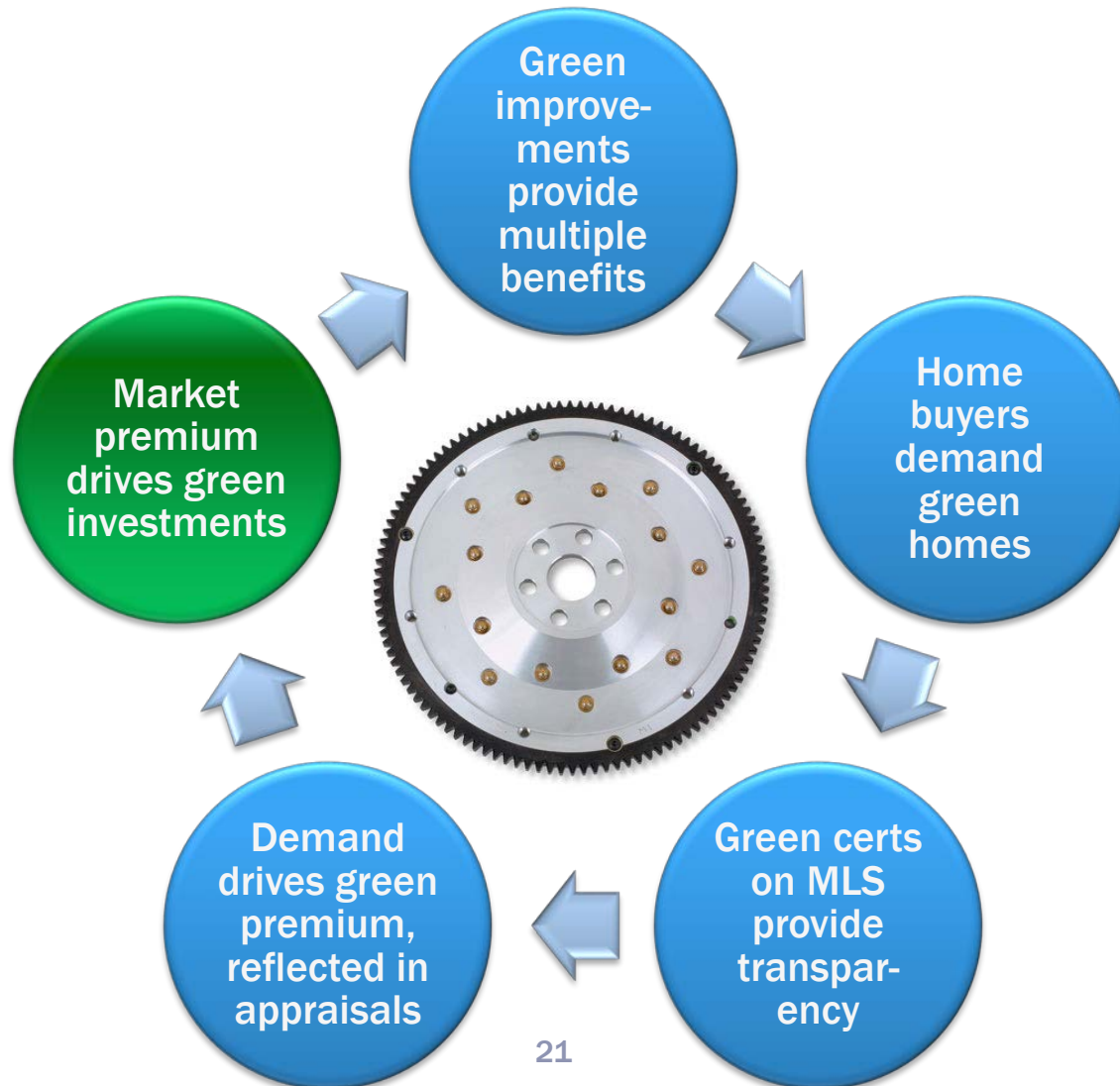
The screenshot displays the Appraisal Institute website, which is dedicated to providing real estate solutions. The header includes the Appraisal Institute logo and a navigation menu with links to AI Resources, Education, Publications, Professional Practice, News, Advocacy, and About Us. A 'Login' button is located in the top right corner. The main content area is titled 'Green Building Resources' and features a video player with the title 'Appraisal Institute's Green Valuation Education...'. Below the video, there is a 'Downloads' section with links to 'Residential Green and Energy Efficient Addendum' and 'FAQs: Valuation of Sustainable Buildings Professional Development Program'. A sidebar on the left lists various educational resources, including 'Your Career', 'Appraisal Institute Education', 'Online Education', 'Training Opportunities', 'Education Resources', 'Knowledge Center', 'State Appraisal Regulatory Agencies', 'Using a Financial Calculator', 'Scholarships', 'Green Building Resources', 'More Green Resources', and 'Instructor Resources'. A 'Real Case Studies' section is also visible at the bottom left.

# 4. Build green home sales capacity

- Encourage contractors to populate Green Addendum

 <b>AI Reports®</b> Form 820.04*	Client File #:		Appraisal File #:	
	<b>Residential Green and Energy Efficient Addendum</b>			
	Client:			
	Subject Property:			
City:		State:		Zip:
Additional resources to aid in the valuation of green properties and the completion of this form can be found at <a href="http://www.appraisalinstitute.org/education/green_energy_addendum.aspx">http://www.appraisalinstitute.org/education/green_energy_addendum.aspx</a>				
The appraiser hereby certifies that the information provided within this addendum: <ul style="list-style-type: none"> <li>• has been considered in the appraiser's development of the appraisal of the subject property only for the client and intended user(s) identified in the appraisal report and only for the intended use stated in the report.</li> <li>• is not provided by the appraiser for any other purpose and should not be relied upon by parties other than those identified by the appraiser as the client or intended user(s) in the report.</li> <li>• is the result of the appraiser's routine inspection of and inquiries about the subject property's green and energy efficient features. Extraordinary assumption: Data provided herein is assumed to be accurate and if found to be in error could alter the appraiser's opinions or conclusions.</li> <li>• is not made as a representation or as a warranty as to the efficiency, quality, function, operability, reliability or cost savings of the reported items or of the subject property in general, and this addendum should not be relied upon for such assessments.</li> </ul>				
<b>Green Building:</b> The practice of creating structures and using processes that are environmentally responsible and resource-efficient throughout a building's lifecycle from siting to design, construction, operation, maintenance, renovation, and deconstruction. This practice expands and complements the classic building design concerns of economy, utility, durability, and comfort. <sup>1</sup> High Performance building and green building are often used interchangeably.				
<b>Six Elements of Green Building:</b> A green building has attributes that fall into the six elements of green building known as (1) site, (2) water, (3) energy, (4) materials, (5) indoor air quality, and (6) maintenance and operation. A Green Building will be energy efficient but an energy efficient building is not synonymous with Green Building.				
<b>Green Features</b> The following items are considered within the appraised value of the subject property:				
<b>Certification</b>	Year Certified:	Certifying Organization: <input type="checkbox"/> Home Innovation Research Labs (ICC-700) <input type="checkbox"/> USGBC (LEED) <input type="checkbox"/> Other:	<input type="checkbox"/> Verification Reviewed on site	<input type="checkbox"/> Certification attached to this report
	<b>Rating</b>	Score:	<input type="checkbox"/> LEED Certified: <input type="checkbox"/> LEED Silver <input type="checkbox"/> LEED Gold <input type="checkbox"/> LEED Platinum <input type="checkbox"/> ICC-700 National Green Building Standard Certified: <input type="checkbox"/> Bronze <input type="checkbox"/> Silver <input type="checkbox"/> Gold <input type="checkbox"/> Emerald Green Certifying Organization URL (website)	

# Virtuous Cycle Built!



# Questions?



[www.builditgreen.org](http://www.builditgreen.org)

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Bruce Mast  
Deputy Executive Director  
[Bruce@builditgreen.org](mailto:Bruce@builditgreen.org)  
(510) 590-3364  
[www.BuildItGreen.org](http://www.BuildItGreen.org)